

Review of Fifth Proposal from the Blue Ribbon Commission

October 02, 2007

Executive Summary

This review is based upon the contents of the Blue Ribbon Commission's Fifth Proposal as of the last Vulnerable Populations Advisory Task Force Meeting on September 26, 2007. This review is based upon an incomplete proposal that had not yet been modeled by the Lewin Group. As a result, this review is somewhat incomplete and the results might have been different based upon later iterations of this proposal.

Positive aspects of proposal

- Guarantee issue is critical to the introduction of individual mandates. However, the Vulnerable Populations Task Force would have preferred a "pure" guaranteed issue instead of the more restrictive one offered in the fifth proposal.
- Increasing healthcare subsidization to 400% of FPL improves overall access to health care for low income residents.
- Inclusion of a community rating based upon age and geography
- Removal of more restrictive spend down requirements for Medicaid qualification
- Increased federal matching fund efforts
- Allowing 200% FPL buy In will improve ability to purchase into Medicaid
- The fifth proposal captures legal residents who have resided in the state for up to five years and allowed them to qualify for Home and Community Services which are currently not covered.
- Provides personal care services for residents with 2 ADLs
- Added dental coverage for some portion of the Medicaid population.
- Administrative Cost savings resulting from streamlined forms, processes, and uniform health care cards
- 12 month eligibility for CHP+ & Medicaid
- The creation of an Ombudsman office to address a public appeals and review process
- The fifth proposal provides for presumptive eligibility.
- The Health Connector for coordinating benefits
- The fifth proposal requires the insurer to pay first, even in cases of disputed coverage.
- Cultural diversity and competency-creates incentives to provide better care to vulnerable populations with diverse needs.
- The Continuous Coverage Plan as defined in the fifth proposal provides an additional option for covering Colorado residents. This component is what makes the Colorado plan unique with respect to other states. The implementation of this plan will allow a practical method for determining the viability of this approach.

Negative aspects of proposal

- The fifth proposal does not appear to include dental benefits for the disabled, those enrolled in Cover-Colorado, and the subsidized insured.
- The Commission's fifth proposal does not define its mental health component to the standard set in previous legislation as defined in SB36-06. The Commission is not modeling its proposal to this standard.
- Provisions in the fifth proposal moves all high cost individuals to a Cover Colorado "ghetto"—which does not utilize a community rating for all healthy persons. All persons with high cost conditions are set aside in re-vamped Cover Colorado. Funding streams for this modified Cover Colorado plan are not adequately identified.
- The situation of undocumented residents is intentionally left out of the fifth proposal to avoid potential controversy. These individuals will still need to be addressed by the State's health care system, regardless of whether the commission chooses to ignore the needs of this population. This will continue to be a form of racial and ethnic discrimination.
- The implementation of individual mandates may incentivize some employers to drop or reduce the coverage they currently offer. They may assume that this is a responsibility that they no longer need to assume since the State will ultimately be required to cover their current employees (especially part time or seasonal staff). This is currently a concern of some state legislators, re: the fifth proposal.
- Assets cap for spend downs: Less restrictive asset caps for Medicaid qualifications should be considered for individuals and families with catastrophic or chronic illness. This would help residents avoid being driven into bankruptcy through increasing healthcare cost. Current spend down requirements force individuals into becoming a financial responsibility of the state when it can be avoided.
- Transition to Catastrophic care should be relatively automatic. Catastrophic care should be a seamless transition from the core benefit plan, since the beneficiaries really don't have the option to go anywhere else in that situation. Catastrophic health considerations can be very immediate and do not always allow time for additional applications for coverage. This application process could ultimately affect the quality of care and survivability.
- As of September 26, 2007, the fifth proposal does not include any substantive plan for Long Term Care. Long Term Care represents 70% of all Medicaid costs and must be addressed in detail.
- The fifth proposal emphasis on waivers must recognize that this would not be budget neutral.
- Benefits in core plan may not meet the current Medicaid benefits level.
- Colorado was once 49th and is now currently 42nd in terms of National Medicaid benefits packages. Colorado has one of the leanest benefits packages in the United States and this needs to be addressed.
- Many Vulnerable individuals will need assistance to navigate the proposed system. Those with mental illness, for example, will have difficulty navigating a system like this. This system should be as simple as possible, and its designers need to think about this from perspective of person using the system.
- Identification issues make access to healthcare difficult.
- The Fifth proposal does not meet an acceptable standard in supporting access for vulnerable populations
- The Advisory Task Force members are concerned that the disabled population will receive the CHP+ benefit and not the richer benefits provided by Medicaid.
- This 5th proposal still goes to far in protecting insurance companies and the profit motive.
- Task Force members wish to avoid an additional regressive tax on poor people. We are concerned that the cost will become consumer burden rather than push insurance companies to run more efficiently.
- Health information technology cannot be adequately funded with the tax credits offered in the fifth proposal. A successful HIT effort will require funding from other sources.

Recommendations

- The fifth proposal needs to have a single payer options.
- The commission must realize that vulnerable populations need coverage and that is costly. The insurance carriers need to come to an understanding that they have a responsibility to serve this population.
- The commission needs to support the 24 hour Workman's Comp proposal. This plan fills a significant hole in the fifth proposal as it is currently structured. Workman's comp plans must have sufficient funding to be financially viable.
- More expansive dental benefits
- A mental health benefit package which conforms to SB36-07- coverage
- Consider a Cover Colorado community rating without age and geography restrictions..
- Issues of undocumented must be addressed explicitly
- Improve care coordination. We suggest adding culturally and contextually competent case managers and navigators for physical and mental health care.
- Health promotion in partnership with the communities. Review of this should include the people who are directly receiving the services as well as management of the process by representatives of different populations
- Beneficiaries need access to health care in the places where they are located and in the fifth proposal that manner of access is not clear. Provider development should be a long term goal. In the interim we need to ensure that accessible, usable, and reliable transportation supports be provided
- Simple review process for obtaining authorization for out of state care must be implemented.
- Quality of care should be the guiding principle, rather than economic considerations alone (or primarily). Comprehensive care cannot be based exclusively on cost
- Medically Needy Program needs to be increased. 50% is substantially too low.
- Catastrophic wrap around needs to be automatic and should not require enrollment
- Raise restrictive asset caps (or adjust eligibility qualifications) for Medicaid qualification for individuals or families with chronic care or catastrophic conditions.
- HIT cannot be successfully funded with tax credits and will require another funding source.
- Detailed LTC provisions must be provided in the fifth proposal, irrespective of modeling difficulties related to Lewin's modeling of SEIU proposal.
- Effective communications must be provided for people with linguistic, cultural, or hearing impairments
- Respite (Assistive Technology) benefits must be added to the state plan.
- Nursing home transition resources need to be explored in more detail